

## NOTMINATION AND RENUMERATION POLICY

### 1. INTRODUCTION:

In pursuance of the company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 (as amended from time to time) the policy on Nomination and Remuneration of Directors, KMPs and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

### 2. DEFINITIONS: -

- a. **"Act"** means Companies Act, 2013;
- b. **"Board"** means Board of Directors of the Company.
- c. **"Directors"** means Directors of the Company.
- d. **"Company"** means Banco Aluminium Limited.
- e. **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f. **"Key Managerial Personnel" or "KMP"** means;
  - Chief Executive Officer or the Managing Director or the Manager;
  - Company Secretary;
  - Whole-time director;
  - Chief Financial Officer;
  - Such other officer as may be prescribed.
- g. **"Nomination and Remuneration Committee" or "NRC"** means the committee set-up under section 178 of the Companies Act, 2013.
- h. **"Senior Management"** means personnel of the Company occupying the position of General Manager and above.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 3. OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management Personnel.

### 4. EFFECTIVE DATE:

This policy shall be effective from the date of its adoption.

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### 5. APPLICABILITY: -

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

### 6. REMUNERATION POLICY:

The Company shall pay remuneration commensurate with comparable industry standards to all the employees/directors covered by the policy. The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / Senior Executives of the quality required to run the company successfully. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

#### A. Remuneration to Managing/ Whole-time / Executive Director, KMP and Senior Management Personnel:

##### i. Fixed pay:

The Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and if required by law approved by the shareholders and Central Government, wherever required.

##### ii. Variable pay:

In case of commission forming part of remuneration, such amount shall not exceed the overall remuneration limit laid down in the Companies Act, 2013 or any other law.

##### iii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Companies Act, 2013 or with the previous approval of the Central Government.

##### iv. Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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### **B. Remuneration to Non- Executive / Independent Director:**

#### **i. Remuneration / Commission:**

The remuneration / commission, if any, shall be fixed as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

#### **ii. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, subject to approval by the Board. Provided that the amount of such fees shall not exceed Rs. 1 lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **iii. Commission:**

Commission, if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **iv. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

### **7. MONITORING AND SUPERVISION:**

The NRC shall monitor and supervise compliance by the Company with the terms and conditions of the policy.

### **8. AMENDMENT:**

The NRC in consultation with Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.